

285-1128

OGC Has Reviewed

23 June 1955

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Approval of Claims Affecting Lapsed Appropriations

REFERENCE : Comptroller's Memorandum to DD/S, Dated
10 May 1955, Same Subject

25X1 1. In his memorandum of 10 May 1955, the Comptroller recommends approval and dispatch of a letter to himself by the Director which would serve to make it clear that the authority under paragraph 9b of [redacted] to pay, from unexpended balances of appropriations which have not lapsed, claims incurred during periods covered by appropriations which have lapsed applies to both:

a. payments currently made affecting lapsed appropriations;
and

b. accountings currently recorded in connection with advances previously made from appropriations which have since lapsed.

25X1 He would also change the existing practices under paragraph 9b by charging the Comptroller with certain duties now required of the Deputy Director (Support). (Mr. Saunders also proposed that the desired action be effected by a letter, DCI to the Comptroller, and subsequent repeal of 9b of [redacted] We have discussed this point with him and he now is willing to amend the regulation instead, which is the form we think the action should take. See paragraph 4 below.)

2. Mr. Saunders advises us that paragraph 9b has been understood as applying with respect to classified transactions involving confidential funds only. We have discussed this question informally with the General Accounting Office, who take the position that since the transactions are classified and could not be revealed to GAO in any detail, that Office could not subject them to effective examination and control; hence, submission of claims to GAO through normal procedures would serve no useful purpose. The procedure set up by paragraph 9b is permitted also by the reservation to the rule, in paragraph 7b(1) of [redacted] 4 September 1953, against using confidential funds "for the solution of administrative difficulties", the reservation being "unless the factors of security or operations peculiar to this Agency fully support the expenditure and preclude the use of vouchersed funds".

[redacted]

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4. However, as mentioned above, we think the action should be in the form of an amendment to paragraph 9b, since this is a matter with which all personnel concerned with financial accounting would be concerned. We see no legal objection to the several procedural changes proposed by Mr. Saunders. An amended paragraph 9b, to effect the requested changes, and to restrict the paragraph to confidential funds, is suggested as follows:

"b. PAYMENT OF CLAIMS AGAINST LAPSED APPROPRIATIONS.

When all items to be charged are proper and in accordance with regulations, expenditure documents received representing the liquidation of obligations which were incurred during periods covered by a lapsed appropriation and which for security or operational reasons should not be paid by the usual claims settlement procedure, may be charged against unexpended balances of appropriations which have not lapsed."

5. The papers are forwarded herewith.

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OGC:RHL:ss

Office of General Counsel

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